GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2122
ANSWERED ON:06.05.2016
Tax on Insurance Policies
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Will the Minister of FINANCE be pleased to state:

(a) the number of life insurance policy holders in the country during each of the last three years, company and State/ UT-wise;

(b) the number of policyholders who are paying income tax/service tax during the said period;

(c) whether the number of people under insurance cover has decreased after introduction of service tax, if so, the details thereof; and

(d) the steps taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance

(a) The details of individual life insurance policies issued during the years 2012-13 to 2014-15 in the country are given in Annexure - I, Annexure- II & Annexure-III.

(b) Service tax is charged on all the life insurance premiums paid by the policyholders. Details of income tax being paid by them is not centrally maintained by Insurance Regulatory & Development Authority of India (IRDAI).

(c) & (d) The number of people who have taken insurance cover during the years 2012-13 to 2014-15 is as under:

Financial Year No. of people taken insurance cover
2012-13 4,41,54,624
2013-14 4,08,34,685
2014-15 2,58,69,356

However, Social Security Schemes like Varishtha Pension Bima Yojana, Aam Aadmi Bima Yojana, Life Cover under Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Suraksha Bima Yojana, Pradhan mantra Jeevan jyoti Bima Yojana have been exempted from service tax by the Government.
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